

authority to the FCC to act as an "overseer" and "guardian" of the public interest.<sup>222</sup> Courts are thus required to give "substantial judicial deference" to the Commission's "judgment regarding how the public interest is best served."<sup>223</sup>

The reach of the public interest is minimally defined by the policies inherent in the delegation of substantive law granted by Congress to the agency.<sup>224</sup> The shape and breadth of an agency's public interest authority varies with the aims and goals of the statute in which the public interest provision is lodged.<sup>225</sup> Here, of course, one of the principal policies established in the

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confers broad powers upon the FCC); Public Utilities Com'n of Cal. v. FERC, 900 F.2d 269 (D.C. Cir. 1990)("public interest" standard grants broad powers to FERC).

<sup>221</sup> See FCC v. RCA Communications, Inc., 346 U.S. 86, 90 (1953)("The statutory standard [of the public interest] no doubt leaves wide discretion and calls for imaginative interpretation").

<sup>222</sup> See CBS v. Democratic Nat'l Comm., 412 U.S. 94, 117 (1973). See also National Cable Television Ass'n v. United States and FCC, 415 U.S. 336, 341 (1974)("There is no doubt that the main function of the Commission is to safeguard the public interest"). See NAACP v. FPC, 425 U.S. 662, 669 (1976). Rather, the exact shape and breadth of an agency's public interest authority varies with the aims and goals of the statute in which the public interest provision is lodged. See id. at 669 (the public interest derives its "content and meaning" from "the purposes for which the Act[] [was] adopted"); Public Utilities Com'n of Cal., 900 F.2d 269 at 281 (same). See also Western Union Div. v. United States, 87 F. Supp. 324, 335 (D.D.C. 1949)("The standard of 'public convenience and necessity' is to be so construed as to secure for the public the broad aims of the Communications Act"), aff'd 338 U.S. 864 (1949).

<sup>223</sup> See WNCN Listeners Guild, 450 U.S. at 596 (cites omitted).

<sup>224</sup> See NAACP v. FPC, 425 U.S. 662, 669 (1976).

<sup>225</sup> See id. at 669 (the public interest derives its "content and meaning" from "the purposes for which the Act[] [was] adopted"); Public Utilities Com'n of Cal., 900 F.2d 269 at 281 (same); see also Western Union Div. v. United States, 87 F. Supp. 324, 335 (D.D.C. 1949)("The standard of 'public convenience and necessity' is to be so construed as to secure for the public the broad aims of the Communications Act"), aff'd 338 U.S. 864 (1949).

Telecommunications Act of 1996 is to effectuate the necessary and complex conditions that will allow for local telephone competition. One of the key provisions to implement this policy is to provide the reward of interLATA authority as an inducement to a BOC to cooperate in creating the conditions for a competitive local market in a particular state. To suggest that the Congress foreclosed to the FCC any ability to analyze the opportunities for local competition under Section 271 is simply absurd given this context.

The cases cited by BellSouth do not vary from this principle. Indeed, their facts demonstrate the breadth of the public interest concept by revealing how far the outer limits can be. In NAACP v. FPC, supra, the Court ruled that the FPC could not use its public interest authority to enforce civil rights legislation. In Business Roundtable v. SEC,<sup>226</sup> the court reversed the SEC's one-share, one-vote rule, finding that the agency could not justify it on its public interest authority because it went "so far beyond matters of disclosure" -- the subject matter of the Act -- and because it would invade the area of "corporate governance traditionally left to the states."<sup>227</sup> Here, the argument made by BellSouth is really not that the public interest fails to reach matters of local market competition, but rather that its reach is cut off by the limitation found in Subsection 271(d)(4). BellSouth concedes that the FCC has some subject matter jurisdiction in the area for at least some purposes; its real quarrel lies in reconciling subsection 271(d)(4) with 271(d)(C)(3).

Sprint believes that reading the sections in context with one another readily shows that the FCC may consider the openness of the local markets without violating the "may not extend"

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<sup>226</sup> 905 F.2d 406 (D.C. Cir. 1990).

<sup>227</sup> Id. at 413, 408.

provision of (d)(4). Nothing in that language suggests an intent by Congress to foreclose agency inquiry into the actual market effects of apparent checklist compliance.

The legislative history of the Act demonstrates that Congress was specifically aware that the Commission's public interest review under Section 271 would include consideration of issues relating to local competition. The Senate (whose bill in this respect was adopted) rejected an amendment proposed by Senator McCain which would have eliminated the Commission's authority to conduct a public interest review.<sup>228</sup> Senator McCain's amendment would have stripped out the public interest by providing that: "Full implementation of the checklist . . . shall be deemed in full satisfaction of the public interest, convenience, and necessity requirement[s]."<sup>229</sup> The amendment was required, according to Senator McCain and other supporters, because the public interest standard would "negate[] the entire checklist"<sup>230</sup> as it was an "ill-defined, arbitrary

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<sup>228</sup> It is well-established that "[w]here Congress includes limiting language in an earlier version of a bill but deletes it prior to enactment, it may be presumed that the limitation was not intended." Rusello v. United States, 464 U.S. 16, 23-24 (1983). The Ninth Circuit has applied this rule specifically to the Communications Act. See Century Southwest Cable Television, Inc. v. CIIF Assocs., 33 F.3d 1068, 1071 (9th Cir. 1994) (rejecting argument that the 1984 Cable Act permitted a cable operator to provide service to apartment buildings against the wishes of the buildings' owners because the enacting Congress had dropped a proposal which would have authorized such actions).

<sup>229</sup> See 141 Cong. Rec. S7960 (daily ed. June 8, 1995). See also 141 Cong. Rec. S7954 (daily ed. June 8, 1995) (statement of Sen. McCain) (The FCC's public interest authority "should be eliminated, or at least amended so that compliance with the competitive checklist is deemed to be in compliance with the public interest test").

<sup>230</sup> 141 Cong. Rec. S7969 (daily ed. June 8, 1995) (statement of Sen. McCain). Senator Craig made similar statements. See, id. at S7964-65 (statement of Sen. Craig) (The public interest standard would permit the Commission to "block" BOCs from offering interLATA services even if the BOC satisfied the competitive checklist).

standard" which would expand, rather than lessen, the Commission's authority.<sup>231</sup> In short, the amendment's backers believed that, without the amendment, the Senate bill permitted the Commission to use its public interest mandate to consider, when appropriate, issues relating to local competition that are not listed in the checklist. The amendment was, of course, defeated.

The prohibition against extending the checklist does not prohibit the Commission from considering, as part of the public interest inquiry, other factors that may be relevant to whether the local market in a particular state is open to competition. A case-by-case consideration of the relevance of certain aspects of local competition is not the same thing as imposing a checklist condition on approval of all applications.

### **3. Section 271 Relief Is Not Justified As An Inducement To IXC's To Enter The Local Markets.**

BellSouth also presses here its argument that its application should be granted not on the merits but rather as a device to make long distance carriers more desperate to enter the local telephone markets.<sup>232</sup> This is sophistry. First, if entry barriers have not been lowered to the local phone markets, it doesn't matter how strong the incentive to enter might be -- by definition it cannot be actualized any faster because the barriers still stand. As Professor Marius Schwartz has observed, "the theory that local entry is delayed primarily due to CLECs' reluctance to trigger approval of BOC interLATA authority is not supported by the experience in states where non-

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<sup>231</sup> See 141 Cong. Rec. S7960 (daily ed. June 8, 1995) (statement of Sen. McCain). See also id. S7966 (daily ed. June 8, 1995) (statement of Sen. Burns, R-MT.) (Public interest is in "the eye of the beholder."); id. at S7967 (statement of Sen. Thomas, R-WY.) ("The public interest is a vague and subjective standard."); id. at S7970 (statement of Sen. Packwood, R-OR.) (Public interest is "amorphous"); id. at S7965 (statement of Sen. Craig) (The public interest is "subjective" and "a standard that has no standard").

<sup>232</sup> See BellSouth Br. at 105-106.

BOC LECs already offer interLATA services."<sup>233</sup> Second, the real cause of slowed CLEC entry is not the imagined conspiracies of BellSouth but rather the various undertakings of the ILECs to resist through wide ranging means the erosion of the local telephone monopoly. The barriers erected by these undertakings have forced CLECs to adjust their local competitive plans.

In any event, there are significant numbers of non-IXC affiliated CLECs that are fighting daily to break down the local bottleneck.<sup>234</sup> BellSouth argues that non-IXC affiliated CLECs may also have an incentive to slow roll BOC entry to allow them to offer a wider range of services, but this is nonsensical. By definition, these CLECs are attempting to compete in local markets; if they were to attempt to slow down interconnection, they merely would defeat their own business plans. This description of independent CLECs as engaged in some sort of kamikaze mission is just silly. In any event, arguing that Section 271 relief should be granted because of the absence of local competition instead of presence of local competition turns the statutory scheme on its head.

As discussed above, Sprint believes summary dismissal is appropriate here. Sprint nevertheless responds to some of the factually and analytically flawed rhetoric contained in the public interest section of the application. The prospect of BellSouth's entry into long distance will not predictably improve the competitive performance of this market. As discussed below, the likelihood of harm significantly and unambiguously outweighs the purported benefits.

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<sup>233</sup> Schwartz Supp. Aff., filed in CC Dkt. No. 97-208 at ¶ 29.

<sup>234</sup> The presence of non-affiliated CLECs also demonstrates that any such IXC "plan" would be irrational, as it could never succeed.

**B. The Effects on the InterLATA Market Also Require Denial of the Application.**

**1. BellSouth's Claims of Benefits to InterLATA Markets Are Entitled To No Weight.**

BellSouth argues that its entry into the long distance market would be beneficial to consumers because, it asserts, the interLATA market is not performing competitively. BellSouth recycles a number of studies and affidavits produced for the earlier Louisiana and South Carolina proceedings -- efforts already discredited.

The papers upon which BellSouth relies rest fundamentally upon factual assumptions proven false and thus rejected by Dr. Marius Schwartz, expert for the United States Department of Justice. As also set forth in the attached, "An Analysis Of BellSouth's Inflated Projections of Competitive Benefits And Consumer Welfare for Louisiana" by Marybeth Banks, BellSouth's papers use the wrong numbers and thus produce the wrong conclusions. First, BellSouth's proposed rates for interLATA service are in fact higher than those currently charged by Sprint.<sup>235</sup> It is thus difficult to see how BellSouth's interLATA entry would result in any consumer benefits at all. Second, BellSouth's attempt to show the benefits that will result from its interLATA entry by comparing SNET's in-region long distance rates with certain AT&T rates is skewed and unpersuasive.<sup>236</sup> Without any basis in actual market prices, the inflated promises of BellSouth and its experts readily collapse.

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<sup>235</sup> See Marybeth M. Banks, Director, Federal Regulatory Affairs Sprint Communications Company L.P., An Analysis Of BellSouth's Inflated Projections of Competitive Benefits And Consumer Welfare in Louisiana at 13-14 (1998)(attached at App. D).

<sup>236</sup> See id. at 2-11.

BellSouth also tries to argue that the long distance carriers have not passed through access charge reductions. Sprint has previously demonstrated to the FCC the numerous fallacies in this argument. Sprint submits this analysis as Appendix E hereto.

BellSouth also points to the consumer desire for one-stop shopping as one significant attraction to its interLATA entry. Sprint does not doubt the value of one-stop shopping; it has itself stressed this point in its advocacy to this Commission. But it is precisely the high value placed on one-stop shopping which counsels against BOC entry until the local market opportunities have been made available. As explained by Shapiro and Hayes, marketing economies here may be significant, and thus public policy dictates that opportunities to capture them be available on reasonably comparable terms to all possible participants.<sup>237</sup> But so long as the local market is kept closed by BOC behavior, there is no opportunity for any carriers other than the BOC to offer one-stop shopping. And, significantly, entry into long distance, already well established, is readily and quickly achieved by reselling existing capacity. Thus, interLATA competition is much less of a concern and much less of an opportunity than non-existent local entry at this time. It is thus preferable to allow for local market entry opportunities first, which can thereafter be quickly followed by additional entry into long distance markets.

**2. Predictable Harm To The InterLATA Market Is Alone Sufficient Reason To Deny The Application.**

Without adequate competition established at the local exchange level, there will be no market disciplining effect on BellSouth to refrain from anticompetitive conduct in the interLATA

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<sup>237</sup> See Shapiro and Hayes Dec. (App. B) at App. A, at 10-12.

market.<sup>238</sup> Both discrimination and cross-subsidization remain serious threats to the interLATA competitive market.

**a. Discrimination.**

As described by the former FCC Chief Economist Joseph Farrell:

The BOCs' incentives and ability to discriminate against rivals in long-distance -- to take the most prominent example of *MFJ* prohibitions -- depend on their market power in the local bottleneck. If we can open up the bottleneck and implement vigorous competition there, then BOCs will have little or no incentive to raise the costs of their long-distance partners -- and if they do so, those long-distance carriers and their customers will have other choices, so the harm to consumers will be limited. Thus, when there is enough competition in what is now the local bottleneck, it will make good sense to let the BOCs into complementary businesses such as manufacturing and long distance.<sup>239</sup>

While regulators will try to prevent this type of misconduct, the anticompetitive opportunities available to BellSouth will be substantial. It need only adversely adjust any one of large numbers of access "details" and thereby seriously disrupt the interLATA market.

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<sup>238</sup> As noted earlier, BellSouth concedes that the FCC may evaluate the strength of local competition as it affects the long distance market. BellSouth Br. at 75. It goes on to suggest that the FCC is bound to conclude that safeguards will be sufficient to protect against the risks to the interLATA market. But the FCC is not bound by an amicus brief it once filed; indeed, it is free to change its institutional decisions where it can articulate a rational basis for doing so. See Motor Vehicle Manufacturers Assoc. of the United States v. State Farm Mutual Automobile Insurance Co., 463 U.S. 29 (1983). Such a change is plainly warranted here; the changes brought about in the regulatory schema, the Eighth Circuit's dramatic reversal, and the BOCs' continued efforts to have the courts declare unconstitutional these safeguards as a bill of attainder and an unlawful taking, alter fundamentally earlier conclusions made by the agency on the likelihood of misconduct and the adequacy of safeguards.

<sup>239</sup> Farrell, Joseph, Creating Local Competition, 49 Fed. Comm. L.J. 201, 207-08 (Nov. 1996).



BellSouth could also mask its behavior in ways that will be difficult to remedy.<sup>240</sup> Further, trying to "undo" the harm flowing from discriminatory conduct will likely be far costlier and more complex than simply avoiding them in the first place.

One of the more misleading arguments set forth by BellSouth has been to try to identify the experience of BOC competition in the New York-New Jersey corridor to show that discrimination is unlikely. The example in fact suggests the opposite proposition. BellSouth notes that Bell Atlantic was able to achieve a "mere" 20% market share in the toll corridor traffic, thereby suggesting the presence of benign competition and nothing else.<sup>241</sup> What is omitted from this neat example is the fact that this market share was achieved notwithstanding the fact that none of this traffic was presubscribed to Bell Atlantic, it is comprised of dial-around minutes.<sup>242</sup> That such a large fraction of the traffic could be obtained through such a crude dialing mechanism in fact suggests such a powerfully successful degree of marketing as to raise suspicion.

**b. Cross-subsidization.**

Contrary to BellSouth's contention, regulation has not removed the BOC's incentive and ability to engage in anticompetitive conduct similar to that found under rate-of-return regulation. This is because price cap regulation still considers underlying ILEC costs. The FCC's price cap scheme imposes reporting requirements for, and periodic agency reviews of, BellSouth's profit levels, i.e., rates of return. Thus, the reporting requirements and periodic reviews continue cost-

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<sup>240</sup> The FCC's former Chief Economist has stated that "[t]hese problems are hard to regulate away, because the withdrawal of cooperation from rivals may be subtle, shifting, and temporary, but yet have real and permanent effects. . . ." See id. at 207.

<sup>241</sup> See BellSouth Br. at 84.

<sup>242</sup> See United States v. Western Elec. Co., 569 F. Supp. 1057, 1110 n.230 (D.D.C. 1983).

based regulation. As such, they induce BellSouth to misallocate costs from competitive services to the noncompetitive side.<sup>243</sup>

In theory, these unwholesome incentives would not exist under a "pure" price cap regime. Under pure price caps, initial rates would be based on "true economic cost" and would not thereafter be altered in response to reported costs. The Commission has not adopted a pure price cap plan, however, given public policy goals other than the achievement of maximum efficiency.<sup>244</sup> Attention to BellSouth's performance, measured in terms of its rate of return, ensures that over time rate levels do not become unjust or unreasonable, either in the political or legal sense. This "feedback" mechanism retains the unwholesome incentives embedded in traditional rate-of-return regulation.<sup>245</sup>

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<sup>243</sup> See Amendment of the Commission's Rules to Establish Competitive Service Safeguards for Local Exchange Carrier Provision of Commercial Mobile Radio Services; Implementation of Section 601(d) of the Telecommunications Act of 1996, 12 FCC Rcd 15668, at ¶ 60 (1997) (the recent revision of the FCC's price cap rules "substantially reduces, but does not eliminate entirely the BOC's incentive to misallocate costs, since the price caps regime still retains a rate-of-return aspect in the low-end adjustment mechanism. Furthermore, periodic performance reviews to update the X-factor could replicate the effects of rate-of-return regulation, if based on a particular carrier's interstate earnings rather than industry-wide productivity growth.") (citations omitted).

<sup>244</sup> From its inception, the FCC's price cap plan has explicitly recognized that any plan must not ignore the Commission's obligation to ensure just and reasonable rates. See Policy and Rules Concerning Rates for Dominant Carriers, 5 FCC Rcd 6786, at ¶ 121 (1990).

<sup>245</sup> The periodic adjustment of productivity factors, and the attending reliance upon an examination of ILEC costs, provides an example of the "feedback mechanism." The Commission has also committed to a performance review in "about two years" so that the Commission can "make any necessary adjustments before the price cap plan leads to unreasonably high or low rates." See In the Matter of Price Cap Performance Review for Local Exchange Carriers, Fourth Report and Order, 12 FCC Rcd 16642, at ¶ 166 (1997). While the Commission emphasized that it will, to the extent possible, focus on "industry-wide performance or other generic factors, rather than adjustments that are tied to a particular price cap incumbent LEC's interstate earnings . . . ." See id. at ¶ 167, the

The Commission has also refused to limit its discretion to make exogenous rate adjustments to ensure that rates permit recovery of historic costs.<sup>246</sup> Finally, to avoid regulatory confiscation, the Commission has also retained the low-end adjustment mechanism that ensures that no price cap LEC will earn less than a 10.25% interstate rate-of-return.<sup>247</sup>

The improvements brought by price caps as actually implemented do not include elimination of the regulated firm's incentive to shift costs.<sup>248</sup> Until and unless the FCC's statutory mandate is changed, its price cap regulation will promote the same incentive and ability to cross-subsidize as exists under rate-of-return regulation.

Finally, the FCC's structural and accounting safeguards do not eliminate the opportunity to act on the incentives created by rate regulation. The Commission explicitly acknowledged in its Non-Accounting Safeguards Order that its rules leave BOCs with opportunities to misallocate the costs of their Section 272 affiliates.<sup>249</sup> Far from requiring complete separation of BOCs and their

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ultimate determinant of "reasonableness" must remain a firm's costs. Until this legal requirement changes, the FCC's regulatory scheme will remain essentially the same.

<sup>246</sup> See id. at ¶ 175 (noting that exogenous adjustments may be necessary to permit LECs to recover "embedded" costs).

<sup>247</sup> See id. at ¶ 127.

<sup>248</sup> In upholding the FCC's price cap regulations, the D.C. Circuit acknowledged that "price cap regulation cannot quite live up to its promise. . . . Obviously no such formula can be perfect, so ultimately the Commission must check to see whether the cap has gotten out of line with reality. The prospect of that next overview may dampen firms' cost-cutting zeal." See National Rural Telecom Ass'n v. FCC, 988 F.2d 174, 178 (D.C. Cir. 1993).

<sup>249</sup> In establishing the structural safeguards applicable to BOC Section 272 affiliates, the Commission balanced the inefficient incentives with the increased economies of scale and scope created by the integration of BOCs and their affiliates. As the Commission explained,

Section 272 affiliates, the Commission permitted substantial integration. For example, the Commission permitted sharing of marketing and administrative services and the offices and equipment associated with those activities.<sup>250</sup> The Commission also permitted the operating company and its Section 272 affiliate to obtain services from the same outside suppliers.<sup>251</sup> Undetected cross-subsidy is therefore a recognized risk despite regulatory safeguards.

**c. Access Charge Reform Is A Prerequisite to Entry.**

Additionally, interLATA entry cannot be authorized until access reform is fully implemented. Competition cannot produce the hoped for efficiency gains for consumers if regulation continues to distort the market. In its 1997 Access Charge Order, the Commission did remove some of the inefficiencies in the interstate access rate structure. But while it has acknowledged that current access charge levels greatly exceed costs,<sup>252</sup> the Commission's

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[w]e believe it is consistent with both the letter and purposes of section 272 to strike an appropriate balance between allowing the BOCs to achieve efficiencies within their corporate structures and protecting ratepayers against improper cost allocation and competitors against discrimination.

Non-Accounting Safeguards Order at ¶ 167.

<sup>250</sup> See id. at ¶ 178. In doing so, the Commission stated that "[w]e recognize that allowing the sharing of in-house services will require a BOC to allocate the costs of such services between the operating company and its section 272 affiliate and provide opportunities for improper cost allocation . . . ." Id. at ¶ 180.

<sup>251</sup> See id. at ¶ 184.

<sup>252</sup> See In the Matter of Access Charge Reform, First Report and Order, 12 FCC Rcd 15982, at ¶ 29 (1997) (describing effects of overallocation of intrastate costs to the interstate rate base).

"market-based" approach to lowering access charges is critically dependent on competition in access that is yet to develop.<sup>253</sup>

The inflated access charges that Sprint and other IXC's must pay over to BellSouth and to other BOCs create indisputable problems if the latter are allowed to compete for interLATA business. Unless access reform is achieved prior to long distance authority, the Bell Companies will be at an insurmountable (but artificial) advantage, being able to force their very competitors in long distance to subsidize BOC operations. This advantage is not derived from any scope economies, but through regulatory distortions. BellSouth has a clear, artificial cost advantage in obtaining the access services essential to the provision of interLATA services.

As Shapiro and Hayes have explained, BellSouth will be able to compete for incremental toll calling by imputing the true cost of access; everyone else will be competitively disadvantaged by the need to include the inflated access costs charged by BellSouth. This advantage is by no means rectified by regulatory requirements of separate subsidiaries and imputation, since economic judgments will be made for the enterprise as a whole. Indeed, Professor Hausman makes this very point. In a purported effort to rebut an earlier submission by DOJ Advisor Dr. Marius Schwartz, Professor Hausman chastises Dr. Schwartz for "fail[ing] to understand that employees will see beyond the 'corporate veil' [of Section 272] and take into account, at least to an extent, both margins [in local and long distance] that exist under imperfect competition." Hausman Aff. at ¶ 66. Plainly, Professor Hausman must not have much faith in the regulatory effectiveness of separate subsidiaries, even when required by statute.

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<sup>253</sup> See *id.* at ¶ 263. BellSouth has not produced evidence of any amount of access competition sufficient to restrain its own pricing. In addition, the FCC has not even established specific rules for its market-based approach.

In the Access Charge Order, the Commission concluded that price squeezes imposed by vertically integrated LECs on their long distance competitors were unlikely.<sup>254</sup> In reaching this conclusion the Commission assumed that, if a LEC attempted such a price squeeze, an IXC could bypass the LEC network by purchasing UNEs. But this form of bypass is unavailable in Louisiana because of the deficiencies in BellSouth's OSS and the legal uncertainties regarding the status of UNEs in general. Thus, the very condition the FCC has deemed necessary to preclude a price squeeze is absent here.

The opportunities for BellSouth to discriminate and cross-subsidize harm not only competitors, but consumers who otherwise reap the benefits of the competitive process. Local ratepayers are forced to subsidize the competitive ventures of the BOCs. Second, consumers of competitive interLATA services are saddled with less efficient products and services because the market share of more efficient firms has been displaced by BellSouth -- not by better service but by misconduct. In sum, grant of the application is demonstrably contrary to the public interest.

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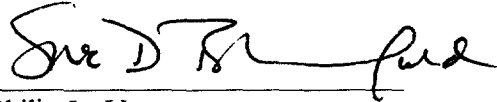
<sup>254</sup> See id. at ¶ 278.

## CONCLUSION

For the foregoing reasons, BellSouth's application must be denied.

Respectfully submitted,

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Dated: August 4, 1998

**\*\*** The following materials are not included in Sprint's diskette filing. They are, however, on file with the Commission: App. A and E to Sprint's Petition to Deny, and the attachments to App. B and C.





# APPENDIX A

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New Orleans

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**\$16.<sup>95</sup> A MONTH  
OR 100 MINUTES FOR \$29.<sup>95</sup> A MONTH**

120 BONUS MINUTES **FREE** WITH ACTIVATION

- **FREE** PHONE (\$200 VALUE)
- **FREE** IN CAR CHARGER (\$39 VALUE)
- **FREE** LEATHER CASE (\$29 VALUE)
- **FREE** CALL WAITING, THREE-WAY CALLING, CALL TRANSFER AND VOICE MAIL (\$15 MONTHLY VALUE)
- 10¢ A MINUTE LONG DISTANCE
- NATIONWIDE COVERAGE



**Motorola StarTac**  
*The world's smallest,  
lightest, wireless phone*

**\$99\***  
with \$29.<sup>95</sup>/100 minutes plan

**EZ CELL  
PREPAID CELLULAR\*\***

- **NO CREDIT CHECK**
- **NO CONTRACT**
- PHONES AS LOW AS **\$49** OR  
ACTIVATE YOUR OWN
- **FREE \$5 CALLING CARD**

**CELLPAGE**  
**Cellular And Paging Specialists**

\*Credit approval and 24 month agreement required for \$99 StarTac, free phones, accessories and bonus minutes. \*\*Not available with other Cellpage service plans. \$10 programming fee on all phones. Other restrictions may apply.

**METAIRIE 836-2988**



**GRETN 367-2337**

CHALMETTE

Kenner

MID IT

LAKE CHARLES

NO EASI

LAKE CHARLES

WESTVIEW

246 4500

391 3785

371 3100

July 5, 1998  
New Orleans

Get extra minutes every month through the end of the year.

~~300~~

**ANYTIME MINUTES<sup>SM</sup>**  
A MONTH, ONLY  
**\$14.99**  
LIMITED-TIME OFFER.



QCP-1920

~~200~~

**ANYTIME MINUTES<sup>SM</sup>**  
A MONTH, ONLY  
**\$24.99**  
LIMITED-TIME OFFER.

Right now, get 30 extra minutes a month on our \$14.99 rate plan, and 100 extra minutes a month on our \$24.99 plan till the end of the year. You'll also get all the features of a PrimeCo<sup>®</sup> phone. Free Voice Mail, free Caller ID, free Call Waiting and, for a limited time, free 3-Way Calling and Call Forwarding for three months. Available for new activations only. But hurry, there are only so many minutes available at these low prices.

**1-800-PRIMECO<sup>®</sup>**  
**www.primeco.com<sup>®</sup>**

**PrimeCo Stores**

North Shore Square Mall  
Lakeside Shopping Center  
Oakwood Shopping Center  
The Plaza Shopping Center



Available at all  
New Orleans area locations

Arch **TRADING**

**CIRCUIT CITY**

Dillard's

**Office DEPOT**

**Participating Retailers**

Alpha Page  
Beeper World  
Chalmette World of Beepers  
Checkmate Services  
City Page  
Communications 2000  
Digital Advantage  
Dreams  
Executive Pagers  
Express Page  
Hamilton Enterprises  
L.A. Beepers  
Latitude 31 Communications  
Nolan Marshall Company  
North Shore Pagers  
Sir Speedy  
Unlimited Communications  
USA Beepers  
Video Plus  
Wagners Meat Market  
Westbank Beepers  
World Communications  
World of Beepers



*"If I can't stop this in New Orleans, I'll never get my phone back."*

**\$99**  
**100% DIGITAL PHONE.**

July 5, 1998  
New Orleans

PrimeCo is a partnership of AirTreach Communications, Inc., and Bell Atlantic Corporation. Phone, model QCP-1920, regularly priced at \$149.99 price reflects \$50 instant rebate and \$30 mail-in rebate with one-year service agreement and approved credit. Limited-time offer. Customers must own their own phone and activate a PrimeCo phone as of before August 31, 1998, to receive extra minutes offer. Offer available to PrimeCo stores and participating wireless carriers. Minimum sign-up for the \$14.99 rate plan will require 30 included minutes per month, and customers who sign up for the \$24.99 rate plan will require 100 included minutes per month. The \$14.99 rate plan includes 30 minutes per month, and the \$24.99 rate plan includes 100 minutes per month. Free Call Forwarding and 3-Way Calling for the \$14.99 rate plan will require 30 included minutes per month through December 31, 1998. After December 31, 1998, the \$14.99 rate plan includes 30 minutes per month, and the \$24.99 rate plan includes 100 minutes per month. Limited-time offer. Offer ends 12/31/98. Additional features, services and fees apply.

# \$100 Rebate

On Select Cellular Phones  
From Circuit City

• Closeouts • Open Boxes • Floor Models • One-of-a-Kinds

Offer applies to discontinued models only with new activations. Circuit City will send \$50 check after 3 months and \$50 check after 6 months of continuous service. Certain restrictions may apply. See store for details.

**Cellular Safety & Convenience Starts at Just 83¢ A Day**

**BELLSOUTH Mobility™**

Offer available on new analog activations only. Requires an annual service agreement with BellSouth Mobility on BellChoice 50 Plan. Rate plans subject to change. Certain restrictions apply. See store for details.



**NOKIA**  
CONNECTING PEOPLE

**Cellular Phone**

- 75-minute talk time & 15-hour standby
- Memory-free
- NiMH battery
- AC travel charger
- Caller ID capability

**FREE ACTIVATION REQUIRED†**

918LC1



**MOTOROLA**

**MicroTac 325 Cellular Phone**

- 22-number memory
- Memory-free SMART battery
- Built-in fast charger
- 90-minute talktime

**FREE ACTIVATION REQUIRED†**

7255S

**PRIMECO**  
PERSONAL COMMUNICATIONS

**100 Minutes for \$24.99 Per Month**

Offer available on new activations only. Requires service activation with PrimeCo Personal Communications on DigitalChoice 100 Plan. Certain restrictions apply. Rate plans subject to change. See store for details.



**QUALCOMM**

**Dual Band/ Dual Mode PCS Phone**

- Works on PCS or cellular systems while roaming
- 99# phonebook memory
- 5-line LCD display
- 240-minute talk time & 48-hour standby

**\$199.99**

QCP2700

† Prices may vary depending on carrier rate plan selected. Certain cellular telephone company fees and restrictions may apply in connection with service activation. Certain Circuit City fees may apply in connection with equipment purchase. New service activation through Circuit City for minimum period required or a \$300 cancellation fee will result. Price will be higher without activation through Circuit City authorized cellular telephone company.

New Orleans  
July 5, 1998

**More minutes. More features. Less money.**



**1-800-PRIMECO**  
**www.primeco.com**



"If I can't stop this in New Orleans, I'll never get my phone back."

[illegible]

Alpha Page  
Beeper World  
Chalmette World of Beepers  
Checkmate Services  
City Page  
Communications 2000  
Digital Advantage  
Dreams  
Executive Papers  
Express Page  
Hamilton Enterprises  
L.A. Beepers  
Latitude 31 Communications  
Nolan Marshall Company  
North Shore Pages  
Sir Speedy  
Unlimited Communications  
USA Beepers  
Video Plus  
Wagners Meat Market  
Westbank Beepers  
World Communications  
World of Beepers

**\$99**  
100% DIGITAL  
**PHONE.**

New Orleans  
July 6, 1998

BELL SOUTH MOBILITY
STORE

on your  
**family vacation**  
you don't want to keep it that way.

Digital Nokia 1110  
\$99  
-\$40  
\$59\*\*

**Free Weekend Calling for 3 Months\***  
Waived Activation Fee (\$50 Value)\*

**NEW!** Now available at the BellSouth Mobility Stores:  
• **BellSouth americast® Digital TV** • **Prepaid Cellular at lower rates** • **Free BellSouth.net™ Internet Software**

- For sales and service call 833-BELL (2355),  
or for a visit from our account professionals call 849-1700.
- |   |   |   |  |   |  |
|---|---|---|--|---|--|
| <p><b>Clearview Mail Kiosk</b><br/>(Main Entrance)<br/>4436 Veterans Blvd<br/>454-3400<br/>Mon - Sat 10-9 Sun 12-6</p> <p><b>Kenner</b> ☐<br/>4041 Williams Blvd<br/>443-0500<br/>Mon-Fri 9-7 Sat 10-6 Sun 12-6</p> <p><b>Mandeville</b><br/>4021 N. Causeway Blvd<br/>624-9900<br/>Mon-Fri 9-7 Sat 10-6 Sun 12-6</p> | <p><b>Metairie</b> ☐<br/>2222 Clearview Pkwy<br/>883-7771<br/>Mon-Fri 9-7 Sat 10-6 Sun 12-6</p> <p><b>New Orleans</b><br/>201 St. Charles Ave<br/>Suite 101<br/>581-2900<br/>Mon-Fri 8-5</p> <p>☐<br/>5300 Tchoupitoulas St<br/>Suite F4<br/>895-2166<br/>Mon-Fri 9-7 Sat 10-6 Sun 12-6</p> | <p><b>Slidell</b><br/>1300 Gause Blvd<br/>Suite E1<br/>847-9900<br/>Mon-Fri 9-7 Sat 10-6 Sun 12-6</p> <p><b>West Bank</b> ☐<br/>405 Lapalme Blvd<br/>392-6900<br/>Mon-Fri 9-7 Sat 10-6 Sun 12-6</p> <p><b>Coming Soon</b><br/><b>La Place</b><br/>140 C. Belle Terre Hwy<br/>536-1000</p> | <p><b>WAL-MART</b><br/>Kiosks<br/>Mon-Fri 11-7:30 Sat 12-5</p> <p><b>Gretna</b><br/>925 Behrman Hwy<br/>394-6878</p> <p><b>Harvey</b><br/>2100 Alex Korman Blvd<br/>328-1401</p> <p><b>Kenner</b><br/>1000 W. Esplanade Ave<br/>443-6288</p> <p><b>La Place</b><br/>1616 West Airline Hwy<br/>536-1000</p> | <p><b>Mandeville</b><br/>880 N. Hwy 190<br/>871-0902</p> <p><b>Metairie</b><br/>400 Clearview Pkwy<br/>733-2386</p> <p>8843 Veterans Blvd.<br/>443-6211</p> <p><b>New Orleans East</b><br/>5901 Sandy Rd<br/>243-2338</p> <p><b>Slidell</b><br/>8701 10 Service Rd<br/>781-7729</p> <p><b>St. Bernard</b><br/>8331 W. Judge Perez Dr<br/>276-1697</p> | <p><b>www.bellsouth.net Kiosk</b><br/>Mon-Fri 11-7:30 Sat 10-6 Sun 12-6</p> <p><b>Kenner</b><br/>2104 Williams Blvd<br/>712-1400</p> <p><b>Metairie</b><br/>5901 Airline Hwy<br/>733-5414</p> <p><b>New Orleans</b><br/>500 N. Carrollton<br/>483-0800</p> |
|---|---|---|--|---|--|

☐ BellSouth americast® Digital TV is available at these locations only.

July 6, 1998  
New Orleans

**@ BELL SOUTH Mobility**  
Count On It.™

www.bellsouthmobility.com

\*Offer available only for customers signing a minimum 1-year service agreement with digital service. Weekend calling is limited to 1,000 minutes per month for three months. \*\*Phone price based on minimum 2-year service agreement. Subject to credit approval and early cancellation fee. Certain restrictions and connection fees apply. Limited-time offer. ©1998 BellSouth Mobility.



# Sprint<sup>®</sup> Sprint PCS<sup>SM</sup>

FOR A LIMITED TIME, PURCHASE & ACTIVATE ANY SPRINT PCS PHONE & GET A

**FINAL DAYS!**  
OFFER ENDS 7/15/98

# FREE \$50 GIFT CERTIFICATE!

To Your Choice of These Fine Establishments:



**Sprint**

**Sprint PCS**

**THE CLEAR ALTERNATIVE TO CELLULAR!**

<b>\$16<sup>99</sup></b> MO. 15 Minutes! <small>Additional minutes .40c per minute.</small>	<ul style="list-style-type: none"> <li>▶ <b>100% DIGITAL VOICEMAIL</b></li> <li>▶ <b>ENHANCED PRIVACY &amp; SECURITY</b></li> <li>▶ <b>NO ANNUAL CONTRACTS REQUIRED</b></li> <li>▶ <b>1ST INCOMING MINUTE FREE IN YOUR HOME SERVICE AREA</b></li> <li>▶ <b>VOICEMAIL/CALLER ID/CALL WAITING &amp; 3-WAY CALLING INCLUDED!</b></li> <li>▶ <b>LARGEST PCS NETWORK IN NEW ORLEANS &amp; THE USA!</b></li> <li>▶ <b>COVERAGE IN 500+ CITIES &amp; GROWING!</b></li> <li>▶ <b>FREE WELCOME PACKAGE!</b></li> </ul>
<b>\$29<sup>99</sup></b> MO. 100 Minutes! <small>Additional minutes .35c per minute.</small>	
<b>\$99<sup>99</sup></b> MO. 1000 Minutes! <small>Additional minutes .15c per minute.</small>	

\*Enhanced package will arrive by mail approximately 3 weeks after activation. \*\*\$99.99 Plan DOES NOT include free first incoming minute or voicemail; however, voicemail may be added for an additional \$4 per month. Complete statement of limitations and restrictions on promotional plans and rebate mail-in certificate available at store.

## SAMSUNG WIRELESS DIGITAL MOBILE PHONE

Features 3 lines of text, 2 lines of icons, 99 memory locations and 9 ringer tones  
#SCH1000



New Orleans  
July 10, 1998